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## CURRENT SUPPORT MEMORANDUM

THE EFFECTS OF THE ECONOMIC REORGANIZATION ON  
TELECOMMUNICATIONS FACILITIES IN THE UKRAINIAN SSR

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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THE EFFECTS OF THE ECONOMIC REORGANIZATION ON  
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One of the objectives of the economic reorganization of Soviet industry in 1957 was to enhance and strengthen the role of the republic governments in day-to-day economic decision making. Thus, the republic governments were to provide more leadership and more control over planning, financing, and managing their subordinate sovnarkhozes (economic regional councils) and enterprises. In carrying out this change, new telecommunications patterns are evolving. Substantial evidence from the Ukrainian SSR indicates that at least in the Ukraine extensive construction and rearrangement of telecommunications facilities is being undertaken.<sup>1/</sup> It would follow that similar work is going on in the rest of the country.

As a result of work on telecommunications facilities, the capital of the Ukraine has been placed in a better position to give closer guidance and direction to the sovnarkhozes and a closer working relationship between the sovnarkhozes has been established. The telecommunications requirements that have evolved from the economic reorganization are apparently being met as rapidly as possible but serious obstacles are being encountered in providing adequate interurban telephone service and in obtaining the necessary investment funds.

Following the organization of sovnarkhozes in the Ukrainian SSR, business meetings were held between oblast communications administrations and sovnarkhoz directors to aid the Ukrainian Ministry of Communications in determining the new requirements for telecommunications facilities and services.

The first step taken within sovnarkhozes was to establish a number of new interurban telephone circuits and to reroute other interurban telephone circuits. Sovnarkhozes encompassing several oblasts received additional channels for use with their oblast centers. In addition, by 1 August 1957, 46 intraoblast circuits have been put into operation and 54 more circuits were to be added by the end of 1957.

To expedite the flow of telecommunications traffic between sovnarkhozes, new direct circuits were installed and existing circuits expanded between several sovnarkhoz centers. At the same time, apparatus was being installed on existing interurban wirelines between Kiev and the other sovnarkhozes in the republic to multiply circuit capacity. Consequently, between Kiev and seven of the other ten republic sovnarkhozes, there were established additional interurban channels (up to four with each sovnarkhoz). Additional channels, to be obtained by using the same multiplying technique, are to become available between Kiev and the three remaining Ukrainian sovnarkhozes in the near future.

The first in a series of subscriber telegraph exchanges, a comparatively new telecommunications service in the USSR, was being installed in Stanislav in 1957. In the near future all sovnarkhoz centers in the Ukraine are to have subscriber telegraph service with outlets to the all-union subscriber telegraph network. At some later date it is planned to expand this service to subordinate enterprises of the sovnarkhozes.

Although total telecommunications investment expenditures for the benefit of the economic reorganization in the Ukraine are not known,

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an important part of the investment funds for that purpose in 1957 probably come from sovnarkhozes, industrial enterprises, construction organizations, and local governments. It was reported that in 1957 more than 52 million rubles for that year's outlays were to come from these sources for investment in sovnarkhoz telecommunications facilities. Of this sum, forty million rubles were to be spent for the construction of 12 radio-broadcasting and television "structures" and associated radio relay lines--presumably microwave radio relay lines which can be used for telephone and telegraph traffic as well as the relay of radio and television programs. The remaining 12 million rubles were to be spent to install new automatic and manual telephone exchanges, interurban telephone switchboards, teletype machines, multiplexing equipment, and long distance wireline.

In spite of the progress that was made in 1957, the Ukrainian Ministry of Communications reports that existing interurban telephone facilities are still far from sufficient to satisfy the needs of the sovnarkhozes and the republic state planning committee. Many existing interurban telephone circuits are inadequate and long delays occur in making connections. In attempting to overcome the inadequacy of the telephone system, the 1958 telecommunications plan in the Ukraine stresses the need for expanding the urban telephone network and interurban telephone circuits. 2/ One major project scheduled to begin in 1958 is the construction of a microwave radio relay line between Kiev and Kherson. This line reportedly will connect sovnarkhozes, oblasts, and industrial enterprises with Kiev. 3/

To execute the 1958 plan for telecommunications, the monetary and material resources of sovnarkhozes, industrial enterprises, construction organizations, and local governments are to be used. The Ukrainian Ministry of Communications states, however, that the USSR Ministry of Communications must give financial aid to the republic ministry in order to expand telecommunications circuits between sovnarkhozes. 4/ It is evident, however, that the USSR Ministry of Communications prefers that most of the funds be obtained from within the republic.

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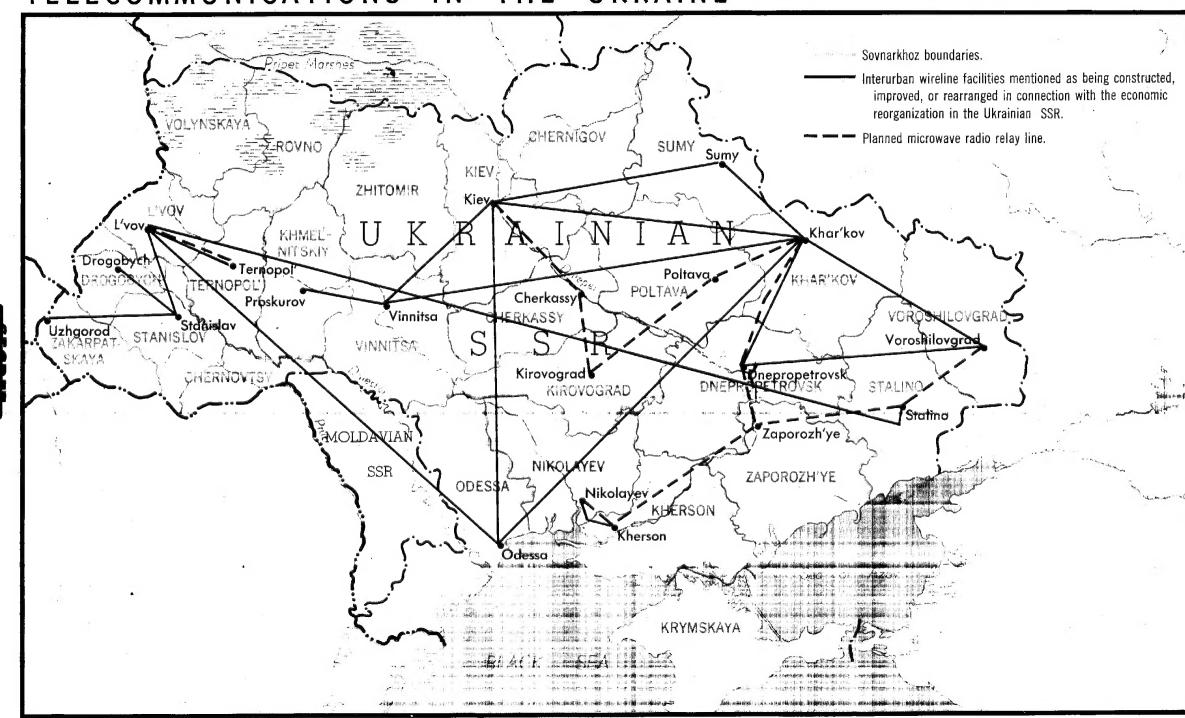
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Analysts:



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2. CIA. FDD Summary no 2, 25 Mar 58, Transportation, Communications and Electric Power in the USSR, p. 60-61, U
3. Ibid., p. 65, U
4. Ibid., p. 60-61, U

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